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September 8, 2000

EX PARTE OR LATE FILED

**BY HAND**

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
445 12th Street, SW; Room TW-B204F  
Washington, D.C. 20554

Re: Notification of Ex Parte Contact in WT Docket No. 00-130 /

Dear Ms. Roman Salas:

This letter notifies the Commission of an ex parte contact in WT Docket No. 00-130. On September 6, 2000, Messrs. Pettit and DeSilva of Wiley, Rein & Fielding, representing TeleCorp PCS, Inc., met with Mr. Tramont in the Office of Commissioner Furchgott-Roth to discuss the attached presentation.

Should any questions arise concerning this notification, please do not hesitate to contact the undersigned at (202) 719-3182.

Sincerely,



Eric DeSilva

Enclosure: Presentation

cc: Mr. B. Tramont, Office of Comm'r Furchgott-Roth

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***TELE*CORP PCS**

Member of the AT&T Wireless Network



# **Merger Briefing**

*August 31, 2000*

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# **TeleCorp/Tritel Merger**

## ***Introduction***

- TeleCorp and Tritel
- Competitive Benefits of the Merger
- Structure of the Merger
- Regulatory Status of the Merger
- Designated Entity Issues

# **TeleCorp/Tritel Merger**

## ***TeleCorp PCS, Inc.***

- TeleCorp Holding Corp., Inc. (“THC”) was formed in 1996 by Gerald Vento & Thomas Sullivan to participate in the PCS D, E & F Block auction
- THC became a subsidiary of TeleCorp PCS, Inc. (“TeleCorp”) when the company was capitalized in July of 1998
- TeleCorp also was able to acquire a number of non-designated entity licenses at the same time
- In order to preserve THC’s designated entity status and effectively integrate (and finance) both DE and non-DE licenses, THC’s economic ownership is maintained through tracking stock
- TeleCorp and THC are both controlled by G. Vento & T. Sullivan through the use of a class of voting preference stock

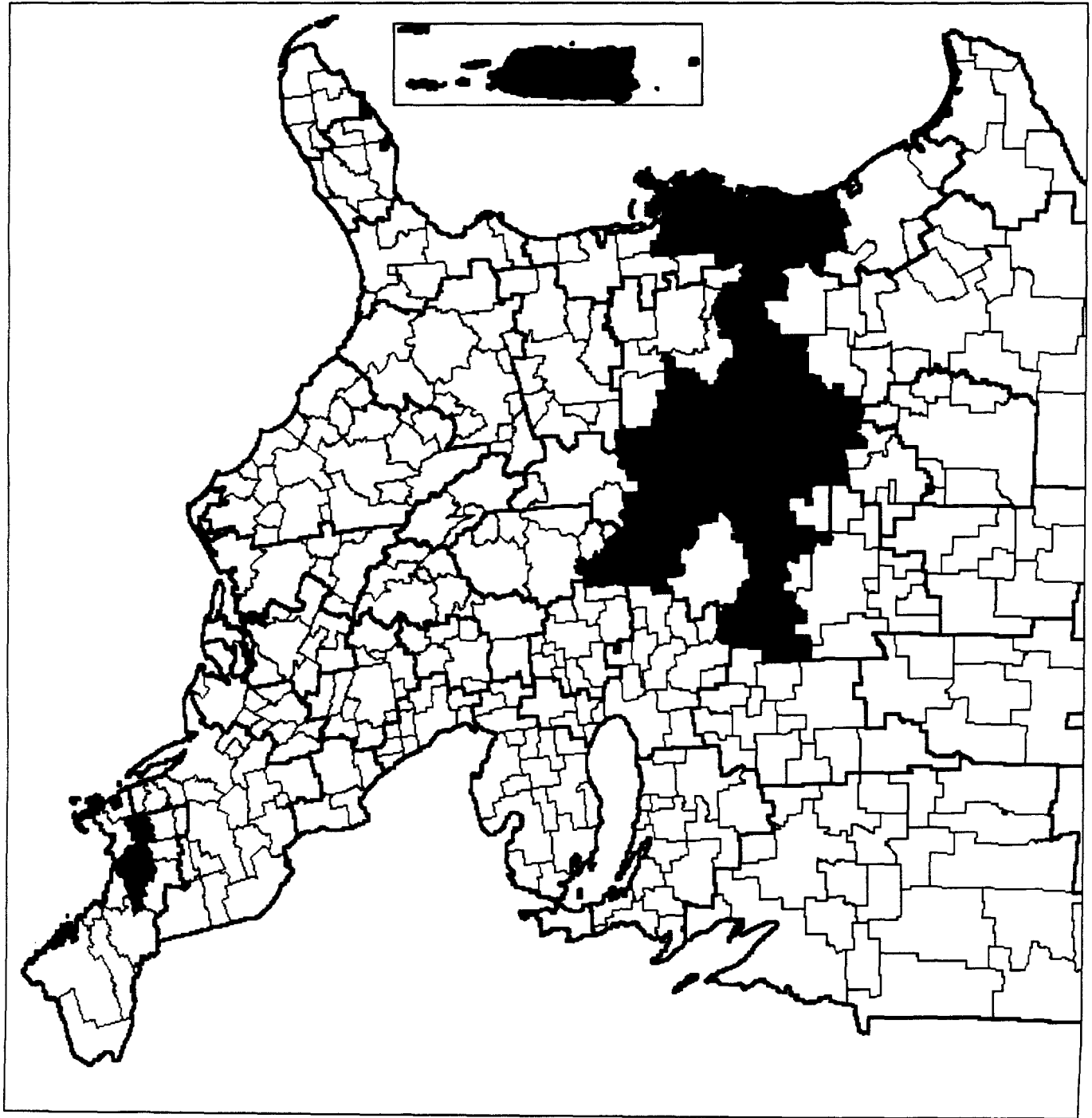
# **TeleCorp/Tritel Merger**

## ***TeleCorp PCS, Inc.***

***(cont'd)***

- TeleCorp initiated service in its first market, New Orleans, LA in February of 1999, and launched an additional 26 markets that year
- As shown in the TLCP footprint map, TeleCorp mainly serves secondary and rural markets
- TeleCorp also has an exemplary record of hiring minorities (50% of TeleCorp's workforce is minority) and women (50% of TeleCorp's workforce is female, including TeleCorp Chief Operating Officer)

# TLCP Pre-Merger Footprint

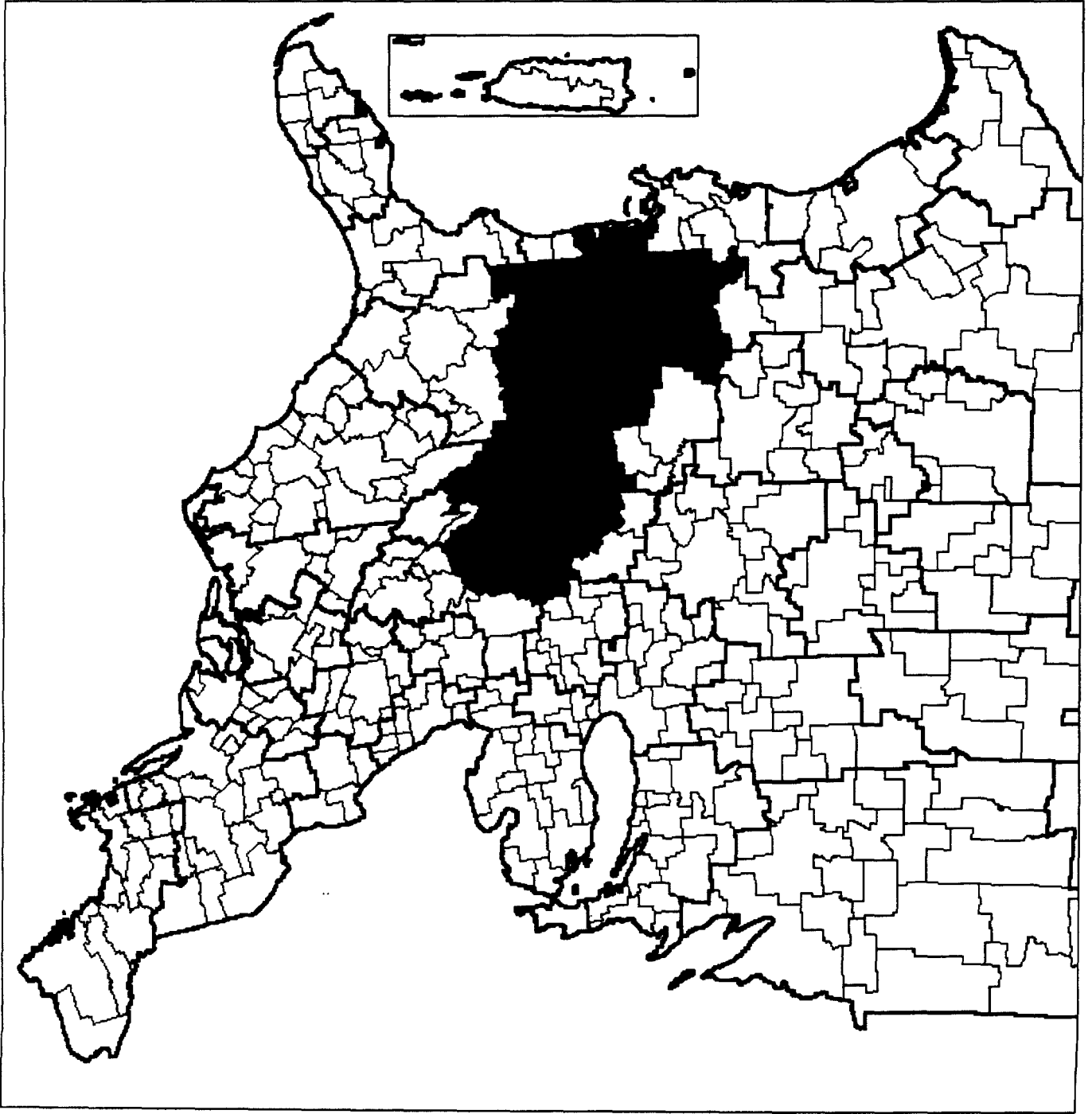


# **TeleCorp/Tritel Merger**

## ***Tritel, Inc.***

- Tritel, Inc. (Tritel) was capitalized slightly after TeleCorp along the same principles, having consolidated both designated entity and non-designated entity licenses under a common holding company
- Tritel launched its first market, Jackson, MS, in September of 1999, and initiated service in seven other markets in the remainder of the fourth quarter
- As shown in the TTEL map, Tritel also serves mainly secondary and rural markets in south central United States
- Like TeleCorp, Tritel also has an exemplary record in minority and female hiring

# TTEL Pre-Merger Footprint





# **TeleCorp/Tritel Merger**

## ***Competitive Benefits of the Merger***

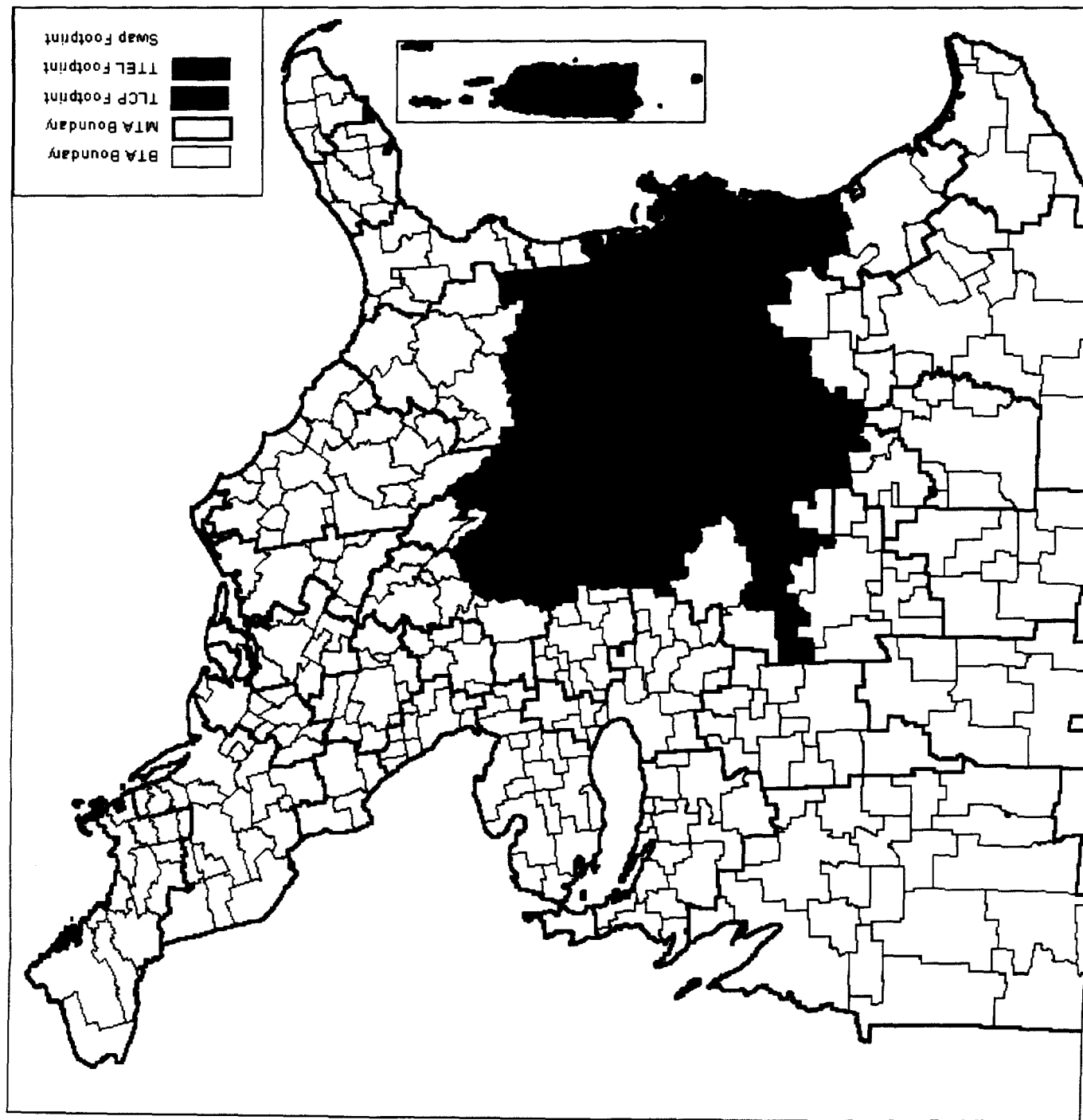
- As shown in the post-merger footprint map, the service areas of TeleCorp and Tritel are complementary, and *overlap by only one county*
- The merger combines the 24th and 25th largest mobile carriers by licensed, unduplicated POPs—a *combined market share in customers of less than one-fifth of one percent* of the U.S. mobile customers
- The merger is *fully consistent with the spectrum cap*, even considering the spectrum holdings of unrelated ventures owned by the controlling principals of TeleCorp and the spectrum holdings of non-controlling investors

# **TeleCorp/Tritel Merger**

## ***Competitive Benefits of the Merger*** *(cont'd)*

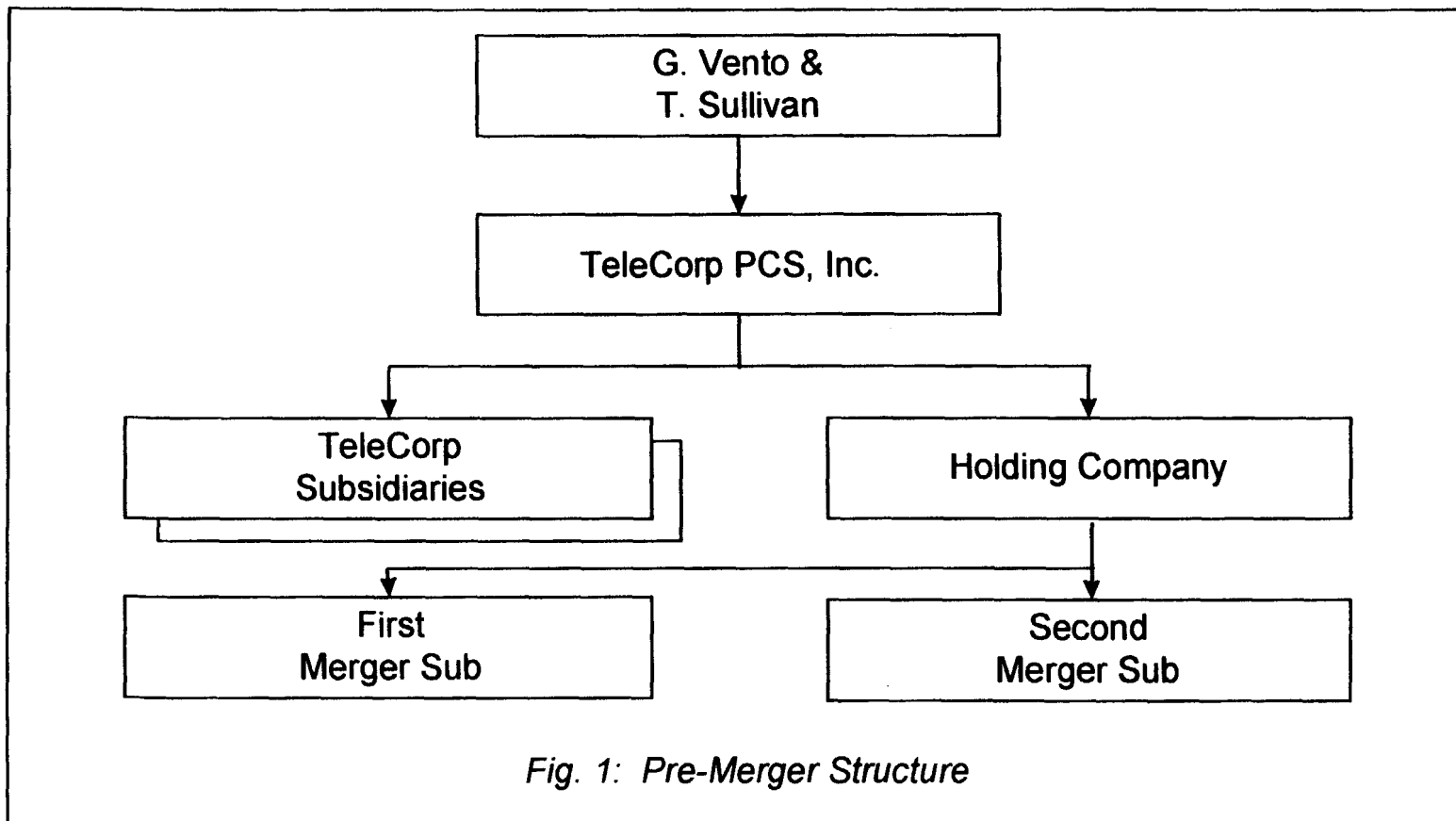
- The merged company will *compete throughout the majority of the combined footprint with significantly larger established national mobile carriers*, including BellSouth, Verizon, and others
- As a merger of two PCS-only companies, *the combined company competes with at least two long-established cellular carriers—and generally several new PCS carriers—in every single market*
- The *Department of Justice granted early termination of the merger Hart-Scott-Rodino review*, effectively determining that the merger on its face raised no competitive issues

# TLCP/TTEL Post-Merger Footprint



# TeleCorp/Tritel Merger

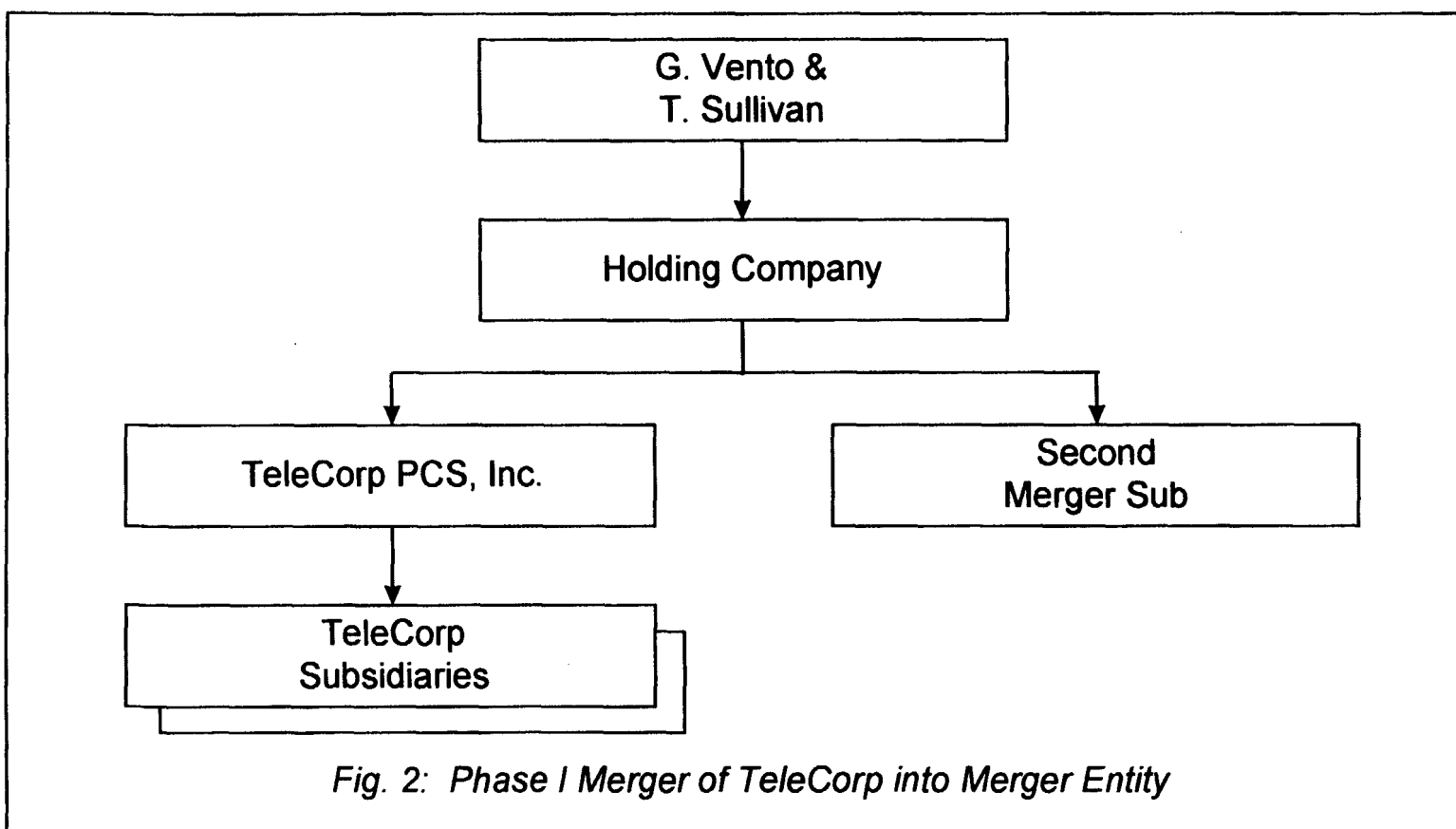
## *Merger Structure*



# TeleCorp/Tritel Merger

## *Merger Structure*

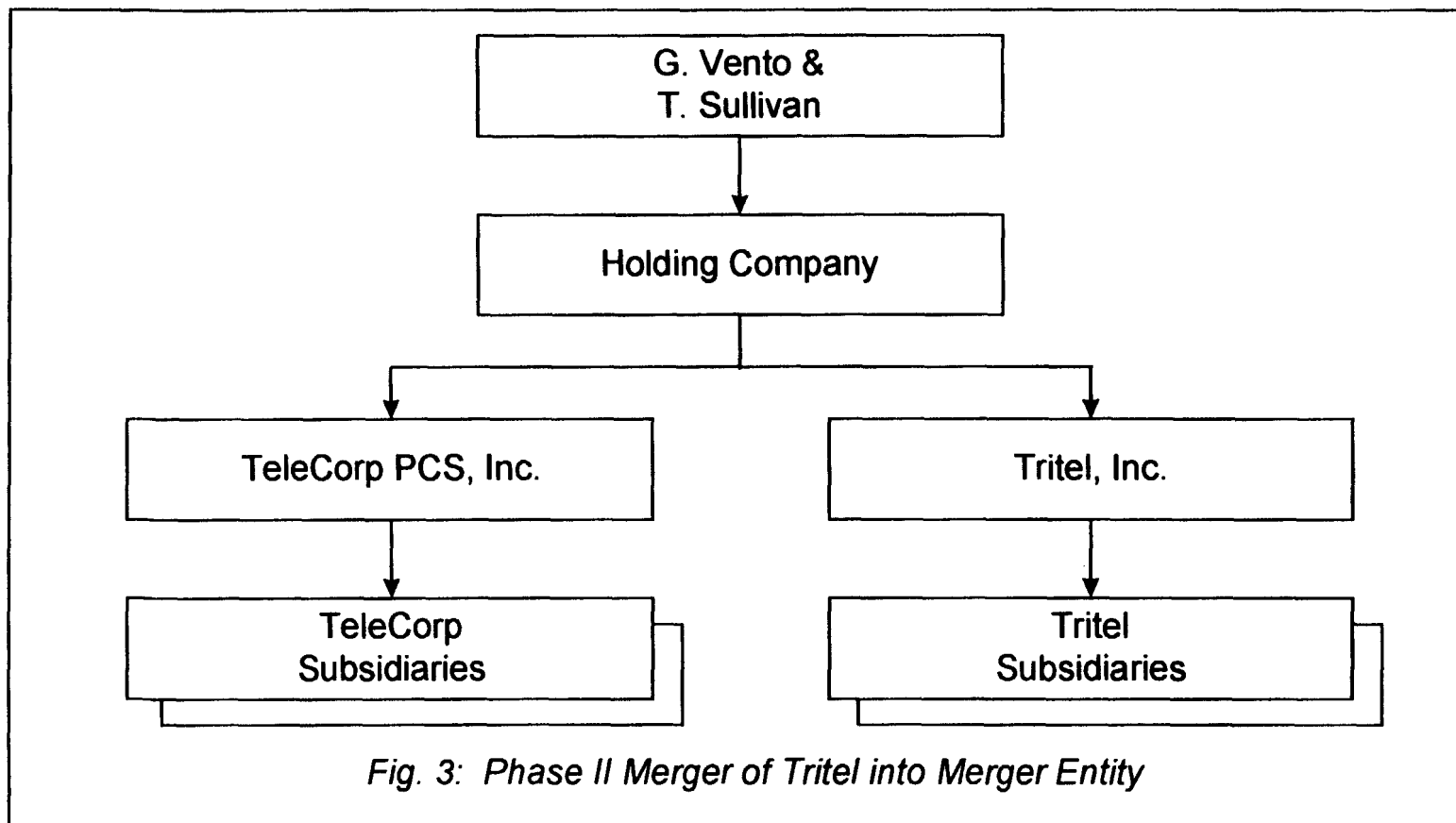
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# TeleCorp/Tritel Merger

## *Merger Structure*

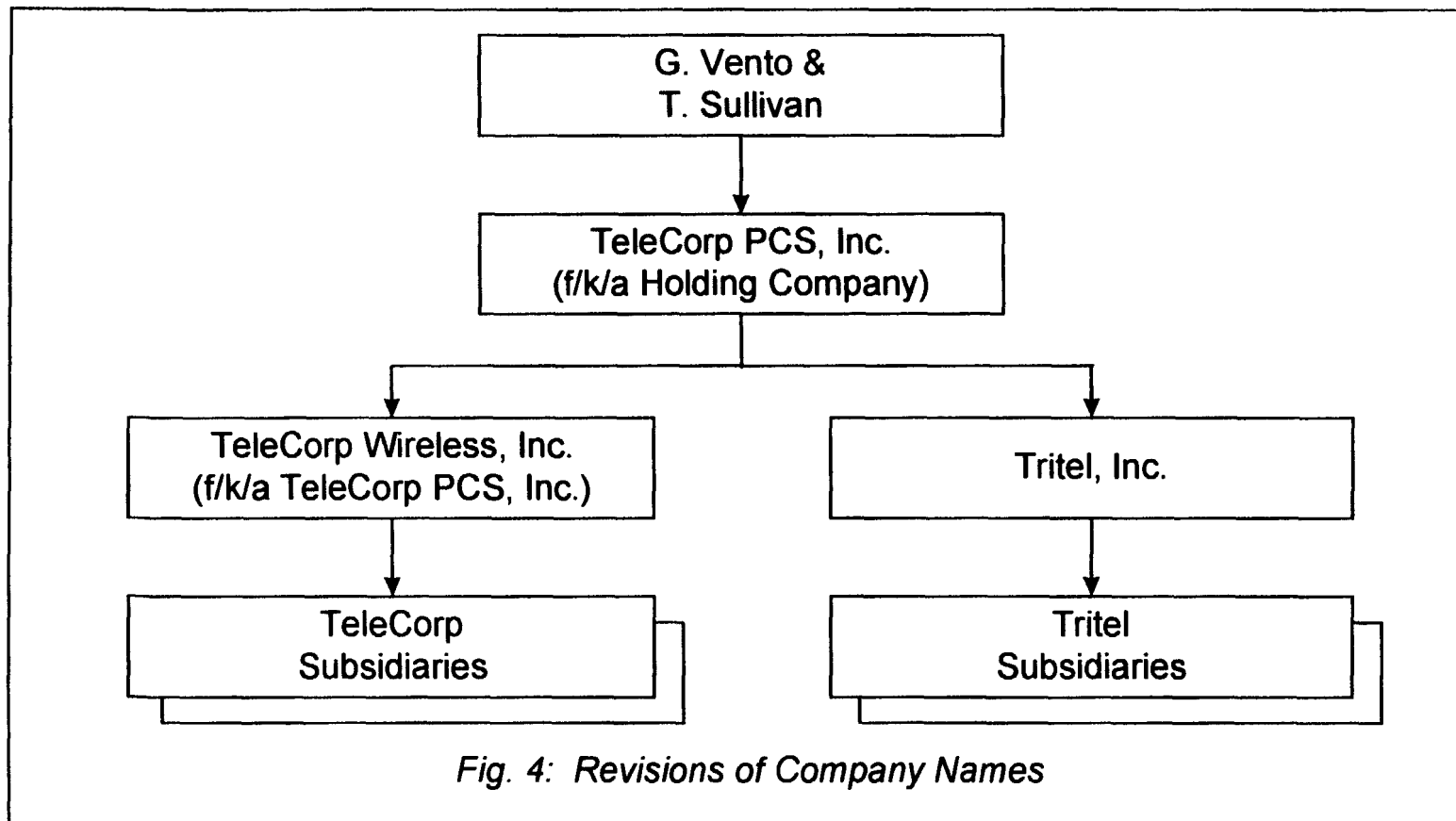
*(cont'D)*



# TeleCorp/Tritel Merger

## *Merger Structure*

*(cont'D)*



# **TeleCorp/Tritel Merger**

## ***Regulatory Status of Merger***

- Final merger applications submitted on May 5, 2000
- Supplemental competitive showing submitted on June 21, 2000
- Applications placed on Public Notice on July 17, 2000
- Opposition filed by Nextel Communications, Inc. on August 16, 2000
- Replies filed by TeleCorp PCS, Inc. et al., Tritel, Inc., and PolyCell, Inc. on August 28, 2000
- “Reply” also filed by Alpine PCS, Inc. on August 28, 2000
- Applications are now ripe for action



# **TeleCorp/Tritel Merger**

## ***Designated Entity Issues***

- Petitioner's allegations all concern TeleCorp's eligibility to hold and acquire designated entity licenses
- While TeleCorp's assets exceed \$500M threshold for "entrepreneurial" status, under the rules:
  - THC may still hold its designated entity licenses, since the growth was normal growth due to expansion of the business
  - THC may still acquire designated entity licenses, since Section 24.839 permits, regardless of assets, assignments to entities that hold other C/F Block licenses
  - THC may undergo, under Section 24.839, pro forma transfers of control
- While Petitioner attempts to make an issue of THC's use of tracking stock, the FCC was fully briefed, and approved, such use years ago

# **TeleCorp/Tritel Merger**

## ***Designated Entity Issues***

- All of the assignments and transfers of control fit within the exemptions of Section 24.839
- Since Messrs. Vento & Sullivan continue to control the post-merger entity, all of the changes to the TeleCorp DE licenses are pro forma
- All of the DE license assignments to TeleCorp (and the transfers of control of Tritel DE licenses) are to affiliates of entities holding designated entity licenses
- None of Petitioner's arguments has any legitimate basis for delaying the proposed merger